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HOUSE BILL 2278

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State of Washington

55th Legislature

1998 Regular Session

By Representatives Honeyford and Lisk

Read first time 04/01/97. Referred to Committee on Finance.

1 AN ACT Relating to exempting electric generating facilities powered  
2 by landfill gas from sales and use taxes; amending RCW 82.08.02567 and  
3 82.12.02567; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.08.02567 and 1996 c 166 s 1 are each amended to  
6 read as follows:

7 (1) The tax levied by RCW 82.08.020 shall not apply to sales of  
8 machinery and equipment used directly in generating electricity using  
9 ~~((the))~~ wind ~~((or))~~, sun ((energy)), or landfill gas as the principal  
10 source of power, or to sales of or charges made for labor and services  
11 rendered in respect to installing such machinery and equipment, but  
12 only if the purchaser develops with such machinery, equipment, and  
13 labor a facility capable of generating not less than two hundred  
14 kilowatts of electricity and provides the seller with an exemption  
15 certificate in a form and manner prescribed by the department by rule,  
16 and the purchaser provides the department with a duplicate of the  
17 certificate or a summary of exempt sales as the department may require.  
18 The seller shall retain a copy of the certificate for the seller's  
19 files.

1 (2) For purposes of this section and RCW 82.12.02567:

2 (a) "Landfill gas" means biomass fuel of the type qualified for  
3 federal tax credits under 26 U.S.C. Sec. 29 collected from a landfill.  
4 "Landfill" means a landfill as defined under RCW 70.95.030.

5 (b) "Machinery and equipment" means industrial fixtures, devices,  
6 and support facilities that are integral and necessary to the  
7 generation of electricity using ~~((the))~~ wind ~~((or))~~, sun ~~((energy))~~, or  
8 landfill gas as the principal source of power;

9 ~~((b))~~ (c) "Machinery and equipment" does not include: (i) Hand  
10 tools; (ii) property with a useful life of less than one year; (iii)  
11 repair parts required to restore machinery and equipment to normal  
12 working order; (iv) replacement parts that do not increase  
13 productivity, improve efficiency, or extend the useful life of  
14 machinery and equipment; (v) buildings; or (vi) building fixtures that  
15 are not integral and necessary to the generation of electricity that  
16 are permanently affixed to and become a physical part of a building;

17 ~~((e))~~ (d) Machinery and equipment is "used directly" in  
18 generating electricity by wind ~~((or))~~ energy, solar, or landfill gas  
19 power if it provides any part of the process that captures the energy  
20 of the wind ~~((or))~~, sun, or landfill gas, converts that energy to  
21 electricity, and transforms or transmits that electricity for entry  
22 into electric transmission and distribution systems.

23 (3) This section expires June 30, 2005.

24 **Sec. 2.** RCW 82.12.02567 and 1996 c 166 s 2 are each amended to  
25 read as follows:

26 (1) The provisions of this chapter shall not apply with respect to  
27 machinery and equipment used directly in generating not less than two  
28 hundred kilowatts of electricity using ~~((the))~~ wind ~~((or))~~, sun, or  
29 landfill gas as the principal source of power, but only when the user  
30 provides the department with:

31 (a) An exemption certificate in a form and manner prescribed by the  
32 department within sixty days of the first use of such machinery and  
33 equipment in this state; or

34 (b) An annual summary listing the machinery and equipment by  
35 January 31st of the year following the calendar year in which the  
36 machinery and equipment is first used in this state.

37 (2) The definitions in RCW 82.08.02567 apply to this section.

38 (3) This section expires June 30, 2005.

1        NEW SECTION.    **Sec. 3.**    This act is necessary for the immediate  
2    preservation of the public peace, health, or safety, or support of the  
3    state government and its existing public institutions, and takes effect  
4    immediately.

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